

1110-04-7

NOWALSKY, BRONSTON & GOTHARD

A Professional Limited Liability Company

Attorneys at Law

Leon L. Nowalsky
Benjamin W. Bronston
Edward P. Gothard

3500 North Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
Telephone: (504) 832-1984
Facsimile: (504) 831-0892

Monica Borne Haab
EllenAnn G. Sands
Bruce C. Betzer
Philip R. Adams, Jr.

January 5, 2004

BY OVERNIGHT DELIVERY

Federal Communications Commission
Common Carrier Bureau
445 12th Street S W
Washington, D C 20554

FCC c/o Mellon Bank
3 Mellon Centre
525 William Penn Way, 27th Floor
Room 152-2713
Pittsburg, Pennsylvania 15259-0001
ATTN Wholesale Lockbox Shift Supervisor

RE Application for consent to the transfer of control of a business which has Blanket Domestic Interstate 214 Authority - LecStar Telecom, Inc to Fonix Corporation

Dear Sir or Madam

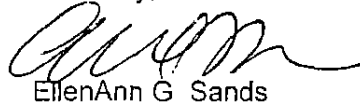
Enclosed please find the following documents submitted on behalf of LecStar Telecom, Inc

- 1 The original and four (4) copies of an Application for consent to the transfer of control of a business which has blanket domestic interstate 214 authority
- 2 The original and four (4) copies of FCC Form 159
- 3 Our check in the amount of \$860.00 representing the filing fee for this Application

Should you have any questions or require additional information, please do not hesitate to contact me

I would appreciate if you would return a copy of this letter, date-stamped, in the envelope provided.

Sincerely,



EllenAnn G Sands

Enclosures
cc: Dale Smith
N Todd Leishman

READ INSTRUCTIONS CAREFULLY BEFORE PROCEEDING (1) LOCKBOX #	FEDERAL COMMUNICATIONS COMMISSION REMITTANCE ADVICE	Approved by OMB 3060-0589 Page No <u>1</u> of <u>1</u>
		SPECIAL USE FCC USE ONLY
SECTION A - PAYER INFORMATION		
(2) PAYER NAME (if paying by credit card, enter name exactly as it appears on your card) NOWALSKY, BRONSTON & GOTHARD, A.P.L.L.C.		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$860.00
(4) STREET ADDRESS LINE NO. 1 3500 NORTH CAUSEWAY BLVD.		
(5) STREET ADDRESS LINE NO. 2 SUITE 1442		
(6) CITY METAIRIE	(7) STATE LA	(8) ZIP CODE 70002
(9) DAYTIME TELEPHONE NUMBER (include area code) 504-832-1984	(10) COUNTRY CODE (if not in U.S.A.) U.S.A.	
FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED		
(11) PAYER (FRN) 0005659958	(12) PAYER (TIN) 72-1258052	
IF PAYER NAME AND THE APPLICANT NAME ARE DIFFERENT, COMPLETE SECTION B IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C)		
(13) APPLICANT NAME LECSTAR TELECOM., INC.		
(14) STREET ADDRESS LINE NO. 1 4501 CIRCLE 75 PARKWAY, SUITE 4210		
(15) STREET ADDRESS LINE NO. 2 BUILDING D		
(16) CITY ATLANTA	(17) STATE GA	(18) ZIP CODE 30339
(19) DAYTIME TELEPHONE NUMBER (include area code) 404-659-9500	(20) COUNTRY CODE (if not in U.S.A.) U.S.A.	
FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED		
(21) APPLICANT (FRN) 0010154086	(22) APPLICANT (TIN) 45-0494825	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET		
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1
(26A) FEE DUE FOR (PTC) \$860.00	(27A) TOTAL FEE \$860.00	FCC USE ONLY
(28A) FCC CODE 1	(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY
(28B) FCC CODE 1	(29B) FCC CODE 2	
SECTION D - CERTIFICATION		
(30) CERTIFICATION STATEMENT I, _____, certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.		
SIGNATURE _____		DATE _____
SECTION E - CREDIT CARD PAYMENT INFORMATION		
(31) <input type="checkbox"/> MASTERCARD	MASTERCARD/VISA ACCOUNT NUMBER	EXPIRATION DATE
<input type="checkbox"/> VISA	I hereby authorize the FCC to charge my VISA or MASTERCARD for the service(s)/authorization herein described.	
SIGNATURE _____		DATE _____

REMITTANCE ADVICE (Continuation Sheet)

FEDERAL COMMUNICATIONS COMMISSION

Approved by OMB

3060-0589

Page No 1 of 1

SPECIAL USE

FCC USE ONLY

USE THIS SECTION ONLY FOR EACH ADDITIONAL APPLICANT

SECTION BB - ADDITIONAL APPLICANT INFORMATION

(13) APPLICANT NAME

FONIX CORPORATION

(14) STREET ADDRESS LINE NO 1

180 W. ELECTION ROAD

(15) STREET ADDRESS LINE NO 2

(16) CITY

DRAPER

(17) STATE

UT

(18) ZIP CODE

84020

(19) DAYTIME TELEPHONE NUMBER (include area code)

801-415-3000

(20) COUNTRY CODE (if not in U S A)

U.S.A.

FCC REGISTRATION NUMBER (FRN) AND TAX IDENTIFICATION NUMBER (TIN) REQUIRED

(21) APPLICANT (FRN)

0010147536

(22) APPLICANT (TIN)

87-0380088

IF MORE BOXES ARE NEEDED, USE ADDITIONAL FCC 159-C CONTINUATION SHEETS TO LIST EACH SERVICE

SECTION CC - PAYMENT INFORMATION

(23A) CALL SIGN/OTHER ID

(24A) PAYMENT TYPE CODE

CUT

(25A) QUANTITY

1

(26A) FEE DUE FOR (PTC)

\$860.00

(27A) TOTAL FEE

\$860.00

FCC USE ONLY

(28A) FCC CODE 1

(29A) FCC CODE 2

(23B) CALL SIGN/OTHER ID

(24B) PAYMENT TYPE CODE

(25B) QUANTITY

(26B) FEE DUE FOR (PTC)

(27B) TOTAL FEE

FCC USE ONLY

(28B) FCC CODE 1

(29B) FCC CODE 2

(23C) CALL SIGN/OTHER ID

(24C) PAYMENT TYPE CODE

(25C) QUANTITY

(26C) FEE DUE FOR (PTC)

(27C) TOTAL FEE

FCC USE ONLY

(28C) FCC CODE 1

(29C) FCC CODE 2

(23D) CALL SIGN/OTHER ID

(24D) PAYMENT TYPE CODE

(25D) QUANTITY

(26D) FEE DUE FOR (PTC)

(27D) TOTAL FEE

FCC USE ONLY

(28D) FCC CODE 1

(29D) FCC CODE 2

(23E) CALL SIGN/OTHER ID

(24E) PAYMENT TYPE CODE

(25E) QUANTITY

(26E) FEE DUE FOR (PTC)

(27E) TOTAL FEE

FCC USE ONLY

(28E) FCC CODE 1

(29E) FCC CODE 2

(23F) CALL SIGN/OTHER ID

(24F) PAYMENT TYPE CODE

(25F) QUANTITY

(26F) FEE DUE FOR (PTC)

(27F) TOTAL FEE

FCC USE ONLY

(28F) FCC CODE 1

(29F) FCC CODE 2

BEFORE THE
Communications Co
WASHINGTON, D.C. 20554

Attention: Wireline Competition Bureau

DOMESTIC APPLICATION FOR CONSENT TO TRANSFER OF CONTROL

Pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.01 through 63.04 of the Commission's Rules, LTEL Holdings Corporation ("LTEL") and LecStar Telecom, Inc. ("LecStar"), by their attorneys, hereby seek consent to the transfer of control of LecStar to LTEL Acquisition Corporation ("LTEL Acquisition") a wholly owned subsidiary of Fonix Corporation ("Fonix"). LecStar holds blanket section 214 authority to provide domestic telecommunications services

Grant of the requested authority will permit consummation of a transaction whereby LTEL Acquisition will acquire all of the outstanding capital stock of LTEL, including 100% of the issued and outstanding capital stock of LecStar. This filing is not an application for

transfer of operating authority and does not involve any transfer of customers. Instead, the Application seeks consent to the change in ultimate control of LecStar by virtue of a stock purchase transaction involving its corporate parent. LecStar will continue to provide competitive telecommunications services to its existing customers following consummation of the proposed transaction. The proposed transfer will benefit the public interest. In accordance with 47 C.F.R. § 63.03, the parties request streamlined processing of this Application.

- (1) The name, address and telephone number of the transferor and transferee

Transferor:

LTEL Holdings Corporation
4501 Circle 75 Parkway, Suite 4210, Building D
Atlanta, Georgia 30339
Phone: (404) 659-9500

LecStar Telecom, Inc
4501 Circle 75 Parkway, Suite 4210, Building D
Atlanta, Georgia 30339
Phone: (404) 659-9500

Transferee

LTEL Acquisition
180 W Election Road
Draper, Utah 84020
Phone (801) 415-3000

Fonix Corporation
180 W Election Road
Draper, Utah 84020
Phone (801) 415-3000

- (2) The state of incorporation of transferor and transferee.
 - LecStar Telecom, Inc. and LTEL Holdings Corporation are Georgia corporations
 - Fonix Corporation and LTEL Acquisition Corporation are Delaware corporations.

- (3) Correspondence concerning this Application should be addressed to

EllenAnn G. Sands
Nowalsky, Bronston & Gothard, APLLC
3500 N Causeway Boulevard, Suite 1442
Metairie, Louisiana 70002
(504) 832-1984 (Telephone)
(504) 831-0892 (Facsimile)
esands@nbglaw.com

- (4) Fonix certifies to the following information.

The name, address, citizenship, and principal place of business of the owners of Fonix, holding a 10 percent or greater ownership interest, are:

Name.	Fonix' Class A Common Stock is quoted on the OTC Bulletin Board. No person or group of persons owns 10% or in excess of 10% of the issued and outstanding publicly traded securities
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- (5) The parties to this application certify that neither the Applicants nor any party to the Application is subject to a denial of Federal benefits that includes FCC benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, 21 U S C. 862
- (6) Grant of the requested authority will permit consummation of a transaction whereby LTEL Acquisition will acquire 100% of the capital stock of LTEL. By virtue of the acquisition, LTEL Acquisition would acquire control and indirect ownership of all of the assets of LTEL, including the capital stock of LTEL's wholly owned subsidiary, LecStar¹. LecStar will continue to provide service under the blanket Section 214 Authority for which it is presently authorized
- (7) LecStar is a non-dominant carrier that resells domestic and international long distance service from various facilities based

¹ LecStar DataNet, Inc. Is also a wholly owned subsidiary of LTEL. LecStar DataNet, Inc. holds no certifications or licenses to provide telecommunications services. LecStar DataNet is an internet service provider. LecStar has one wholly owned subsidiary, Georgia Telecom Ventures, LLC, a Delaware limited liability company

carriers. LecStar is authorized by the FCC to offer domestic interstate and international services as a non-dominant carrier.

LTEL Acquisition is a holding company which holds no certifications to provide service.

- (8) This Application is appropriate for streamlined treatment based on Section 63.03(b)(1)(I) and 63.03(b)(2)(I).
- (9) The parties have filed a separate application for consent to the transfer of control of LecStar's 214 International authorization.
- (10) Not applicable.
- (11) Not applicable.
- (12) Grant of the instant application will serve the public interest, convenience, and necessity. Consummation of the proposed transaction will result in net benefits to LecStar's customers by strengthening the financial status of LTEL. The transaction will enhance LecStar's ability to offer a broader range of innovative products and services to customers.

V. SUMMARY AND CONCLUSION


In summary, consent to the proposed transaction will allow LecStar to continue providing quality service to a greater number of customers and will increase competition.

No new construction is involved, and grant of the instant application would not constitute a "major" environmental action pursuant to Section 1.1305 of the Commission's Rules.

In view of the foregoing, the applicants respectfully request that the Commission consent to the acquisition by LTEL Acquisition of control of LecStar and its domestic telecommunications operations.

Dated this 5th day of January, 2004.


Respectfully submitted,

By 
EllenAnn G. Sands
Nowalsky, Bronston & Gothard
A Professional Limited Liability Company
3500 N Causeway Boulevard
Suite 1442
Metairie, Louisiana 70002
Telephone: (504) 832-1984
Counsel for LTEL Holdings Corporation,
LecStar Telecom, Inc , Fonix Corporation and
LTEL Acquisition

STATE OF
COUNTY OF

VERIFICATION

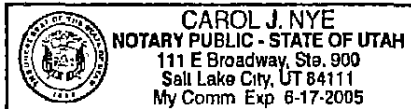
I, Thomas A. Murdock, am the President of Fonix Corporation, and
am authorized to make this Verification on its behalf. The statements made in the
foregoing Application are true of my own knowledge, except as to those matters which
are therein stated on information and belief, and as to those matters I believe them to
be true

By: 
Name: Thomas A. Murdock
Title: President

Sworn to and subscribed before me, Notary Public, in and for the State and
County named above, this 18th day of December, 2003.


Notary Public

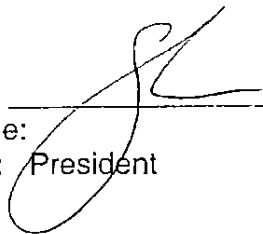
My commission expires:



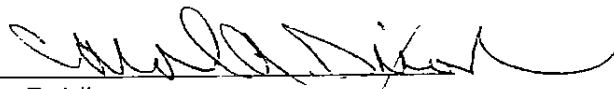
STATE OF
COUNTY OF

VERIFICATION

I, Steve Hicks, am the President of LTEL Holdings Corporation, and am authorized to make this Verification on its behalf. The statements made in the foregoing Application are true of my own knowledge, except as to those matters which are therein stated on information and belief, and as to those matters I believe them to be true.

By: 
Name: _____
Title: President

Sworn to and subscribed before me, Notary Public, in and for the State and County named above, this 9th day of December, 2003.



Notary Public

My commission expires:

CAROL ANN DIXON
Notary Public, Fulton County, Georgia
My commission expires August 11, 2006